

SERVICE DATE – LATE RELEASE MARCH 16, 2006

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. AB-1081X

SAN PEDRO RAILROAD OPERATING COMPANY, LLC—ABANDONMENT
EXEMPTION—IN COCHISE COUNTY, AZ

Decided: March 16, 2006

By decision served February 3, 2006, the Board exempted from the prior approval requirements of 49 U.S.C. 10903 the abandonment by San Pedro Railroad Operating Company, LLC (SPROC) of approximately 76.2 miles of railroad line in Cochise County, AZ, subject to public use, environmental, and standard employee protective conditions. An offer of financial assistance (OFA) was filed by Sonora-Arizona International LLC (Sonora) on February 13, 2006. By decision served February 17, 2006, Sonora was found to be financially responsible and the effective date of the decision authorizing abandonment was postponed to permit the OFA process to proceed. The deadline for either party to request the Board to establish the terms and conditions of the purchase was March 15, 2006.

That day, Sonora filed a petition asking the Board to: (1) clarify the scope of the abandonment and of the property that is the subject of the OFA, and (2) extend the period within which the parties could reach an agreement on the terms and conditions for the purchase of the line. SPROC filed a reply in opposition to Sonora's petition on March 16, 2006.

Sonora's petition will be denied. The statute and the implementing regulations contemplate an expeditious resolution of the OFA process. However, under the circumstances, if Sonora wishes to file a request that the Board set the terms and conditions of the purchase of this line, it must do so by March 17, 2006, along with a request that the Board accept and consider that filing. SPROC's reply thereto will be due March 22, 2006.

Any request to set terms and conditions should be based on the Board's February 3 decision granting the abandonment exemption and February 17 decision initiating the OFA process, as well as the record upon which the agency relied in making those decisions, which no party has sought to reopen. Any dispute regarding the property that is the subject of the OFA or the value of the line will be resolved by the Board in its decision setting the terms and conditions of the purchase of the line.

This action will not significantly affect the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Sonora's petition is denied.
2. Any request that the Board establish the terms and conditions of the purchase must be filed by March 17, 2006. A reply thereto will be due March 22, 2006.
3. This decision is effective on its date of service.

By the Board, Vernon A. Williams, Secretary.

Vernon A. Williams
Secretary